

Part III - Administrative, Procedural, and Miscellaneous

Notice 2005-52, 2005-28 I.R.B. (July 11, 2005)

SECTION 1. PURPOSE

This Notice announces that the Income Tax Regulations under § 148 of the Internal Revenue Code will be amended to provide that, in the case of bonds subject to (a) § 1.148-1T which was initially published on May 12, 1989, as part of T.D. 8252 (and which expired in May of 1992), or (b) § 1.148-1 which was published on May 18, 1992, as part of T.D. 8418 (and which expired on June 30, 1993), rebate payments must be filed at the same place or places designated by the Commissioner for bonds subject to § 1.148-3.

SECTION 2. BACKGROUND

.01 Section 103(a) generally provides that gross income does not include interest on any State or local bond. Under § 103(b)(2), however, interest on an arbitrage bond (within the meaning of §148) is includable in gross income.

.02 Section 148(f)(1) generally provides that a bond that is part of an issue shall be treated as an arbitrage bond unless the issuer pays to the United States the amounts described in § 148(f)(2) for the issue (rebate amounts) in accordance with § 148(f)(3).

.03 Section 148(f)(3) provides that, except to the extent provided by the Secretary, rebate amounts must be paid in installments that are made at least once every five years. The last installment must be made no later than 60 days after the day on which the last bond of the issue is redeemed.

.04 Section 1.148-3(g) provides that a rebate payment is paid when it is filed with the Internal Revenue Service at the place or places designated by the Commissioner. See § 7502(a) for the treatment of certain payments made by U.S. mail.

.05 Section 1.148-1T, which was initially published on May 12, 1989, as part of T.D. 8252 and which expired in May of 1992 (the 1989 regulations), provides rules for complying with the rebate requirement with respect to certain bonds issued before the expiration of the 1989 regulations. Section 1.148-1T(b)(3)(v) of the 1989 regulations provides that a rebate or correction amount is paid when filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

.06 Section 1.148-1, which was published on May 18, 1992, as part of T.D. 8418 and which expired on June 30, 1993 (the 1992 regulations), provides rules for complying with the rebate requirement with respect to certain bonds issued before July 1, 1993. Section 1.148-1(b)(3)(v) of the 1992 regulations provides that a rebate or correction amount is paid when filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

SECTION 3. AMENDMENTS TO REGULATIONS

The regulations will be amended to provide that, in the case of bonds subject to the 1989 regulations (as defined in section 2.05) or the 1992 regulations (as defined in section 2.06), rebate payments must be filed at the same place or places designated by the Commissioner for bonds subject to § 1.148-3. Until further notice, rebate payments for bonds subject to the 1989 regulations or the 1992 regulations should be sent to the following address:

Internal Revenue Service
Ogden Submission Processing Center
Ogden, Utah 84201

DRAFTING INFORMATION

The principal author of this Notice is David White of the Office of Division Counsel/Associate Chief Counsel (Tax Exempt and Government Entities). For further information regarding this revenue procedure contact Mr. White on (202) 622-3980 (not a toll-free call).